

Executive Summary

The Council on Postsecondary Education has asked five questions by which it will gauge the success of postsecondary education reform in Kentucky:

1. Are more Kentuckians ready for postsecondary education?
2. Are more students enrolling?
3. Are more students advancing through the system?
4. Are we preparing Kentuckians for life and work?
5. Are Kentucky's communities and economy benefiting?

The executive summary of the July agenda is organized around these five questions, grouping the second and third and the fourth and fifth questions together. Additional information about all action items and substantial discussion or information items is included in this agenda book. Page numbers of each item are indicated in the brief discussion of the item that is part of the executive summary.

1. Are more Kentuckians ready for postsecondary education?

The Governor's KIDS NOW initiative recognizes the importance of a good pre-school educational foundation for all children. In order to prepare teachers to work in early childhood programs, Lexington Community College proposes to offer a program in Early Childhood Education. By 2003, Headstart will require that 50 percent of lead instructors have at least an associate degree. LCC's program is designed to meet the increased demand for this postsecondary credential and to provide for transfer to four-year education programs across the state.

The staff recommends that the council approve the program in early childhood education proposed by Lexington Community College. (For details, see page 53.)

The Kentucky Early Mathematics Testing Program, administered by Northern Kentucky University and the University of Kentucky, has completed its first semester. High school sophomores and juniors are encouraged to take this test, which assesses their preparation for college-level mathematics. This spring, the test was taken on-line by more than 3,000 students from 29 high schools in 18 counties. The program directors anticipate testing between 20,000 and 40,000 students per year, with test offerings each fall and spring as the program becomes more widely known.

The National Commission on the High School Senior Year, co-chaired by Governor Patton, recently released its interim report. Among other things, the report urges that there be more rigorous curricula

throughout all years of high school, that high school curricula and college curricula be aligned, and that the practice of separating students into pre-college and general tracks be ended. The final report will be ready in the fall.

Kentucky is engaged in this national discussion of the transition from high school to college, following the lead of the National Commission. In June, the P-16 Council heard a presentation by Kati Haycock, executive director of The Education Trust, about the importance of a rigorous high school curriculum. Research shows that minority and low-income students actually benefit most from a rigorous curriculum. In May, the Kentucky Board of Education approved the P-16 literacy and alignment team recommendations that were approved by the council at its last meeting. Now the very difficult work of actually changing curricula begins.

The P-16 Council also is discussing whether it is still good policy to have a pre-college curriculum and, by implication, a non-pre-college curriculum in the high schools. If some form of education beyond high school is necessary for almost everyone to be able to live decently and support a family, perhaps the pre-college curriculum should be the default curriculum for all high school students, from which they can deviate only if they intentionally choose to do so. At some time later this year, the council may want to reconsider its definition of the pre-college curriculum, which last was substantially modified in 1999.

In addition to preparing teachers for early childhood programs and knitting together Kentucky's schools, colleges, and universities, the council has planning responsibility for a system of adult education that upgrades the skills and knowledge of women and men who now

are outside the formal education systems. The council, working with the Department for Adult Education and Literacy, has undertaken initiatives that are critical to developing a Kentucky workforce that is attractive to participants in today's economy. Some of these adult learners will go on to postsecondary education; many will not. But if they can get better jobs, help their young children get prepared for school, and encourage their older children to plan to attend colleges or universities, the quality of life in Kentucky will improve.

Kentucky's adult education instructors need more skills and training themselves. The professional development task force has developed a plan to prepare instructors to serve rapidly increasing numbers of adult learners. Implementation of the plan will be coordinated by: the Adult Education Academy for Professional Development at MoSU; the Collaborative Center for Literacy Development at UK; and the Kentucky Institute for Family Literacy in Louisville, Kentucky.

The Governor's Literacy Summit, organized by the governor's office,

The staff recommends that the council approve the Adult Education Professional Development Plan, authorizing the allocation of \$ 1,358,528 of the Adult Education and Literacy Trust Fund for 2001-2002. (For details, see page 57.)

the Literacy Partnership, the P-16 Council, and the Prichard Committee, was held June 12. It convened participants representing institutions and agencies involved with literacy issues at the pre-school, elementary/secondary, postsecondary, and adult levels. The governor challenged them to coordinate their agendas and resources to eliminate illiteracy in the state.

2. Are more students enrolling?
3. Are more students advancing through the system?

In preparing for the 2000 legislative session, the council approved institutional goals for enrollment, retention, and graduation for fall 2000 through fall 2004. It is too early to judge success in retention and graduation rates but the system is ahead of its enrollment goal for 2000 by 5,500 students, thanks largely to the KCTCS. We are also pleased to report that enrollments in KYVU courses have increased from 745 in summer 2000 to 1,726 in summer 2001, an increase of 132 percent.

In preparation for the 2002 legislative session, the staff now brings to the council for approval new institutional goals for fall 2002 through fall 2006. The fall 2006 undergraduate goal for public post-secondary institutions is 175,684 students, a 21.8 percent increase from fall 2000. These goals keep Kentucky on track to enroll 80,000 additional undergraduate students by 2020.

The staff recommends that the council approve the 2002-06 public institution goals for enrollment, retention, and graduation. (For details, see page 59.)

As the institutions work to reach these goals, they look for new approaches to meeting the needs of Kentuckians. The trust funds provided in the current budget to achieve the objectives of the Action Agenda and to help faculty acquire new skills and sharpen old ones are important to this work. At the May meeting, the council allocated most of these funds, with the expectation that the insti-

tutions would request the remaining amounts at the July meeting. The staff has favorably reviewed the supplemental requests for the remaining funds.

The staff recommends that the council approve distribution of the remaining Action Agenda trust funds. (For details, see page 67.)

The staff recommends that the council approve distribution of the remaining faculty development funds. (For details, see page 69.)

Starting new programs and allocating additional resources will not be enough to sustain the reform. The council also needs to encourage institutions to allocate existing resources most effectively across a wide variety of good things to do. To that end, the council began a process of systematic program productivity review, with the universities and the KCTCS being reviewed every other year. In the first round, the universities have reported plans to close 143 of the 564 programs they were asked to review. This is about 12 percent of all the programs offered at the university level.

This is a good first effort. But more remains to be done. Programs in education, the visual and performing arts, and foreign languages appeared among the 564 flagged programs with great frequency. Work groups were established to consider ways in which programs in these three discipline areas could meet the educational needs of Kentucky students more effectively by sharing resources and combining programs. The education work group has accomplished quite a lot and 35 programs will be closed.

But the groups considering visual and performing arts and foreign language programs have made less progress. Lists of programs with questionable productivity will be generated again this fall and again there will be many visual and performing arts and foreign language programs on the lists. This second time around, the council might wish to act more decisively.

The staff recommends that the council accept the final university reports of the first biennial productivity review. (For details, see page 71.)

The council directed that university, KCTCS, and Lexington Community College programs be reviewed. The staff has completed the initial review of KCTCS and Lexington Community College programs, which began in February of this year. The technical colleges of the KCTCS were excluded from the review because they only recently have begun to offer associate degree programs.

The community colleges offer fewer programs than the universities: only 146 in total. Of these, 32 were identified as requiring productivity review. The KCTCS and LCC propose to close five of them and to make substantial changes in 18 others. Examples of a "substantial change" are: combining two programs into one, developing a new curriculum, creating additional exit points, developing articulation agreements, developing collaborative arrangements with businesses, and creating joint programs among institutions.

The staff recommends that the council accept the initial productivity reports of the Kentucky Community and Technical College System and Lexington Community College. (For details, see page 77.)

Access to and progress through the public colleges and universities requires institutions to do everything they can to ensure that equal educational opportunities are provided for all Kentuckians (see EEO status report beginning on page 79). The council's Committee on Equal Opportunities reviews institutional progress in providing access and determines whether to recommend to the council that institutions that fail to meet access objectives should be allowed to propose new degree programs.

Northern Kentucky Technical College did not meet its numerical objectives and applied to the Committee on Equal Opportunities for a waiver. At its June 25 meeting, the Committee on Equal Opportunities voted to recommend that the council grant a waiver to the Northern Kentucky Technical College of the KCTCS. The recommendation of the waiver of the requirements of KRS 164.020(18) is based on information provided by NKTC. The college presented a compelling case showing that it had taken actions to significantly improve in three areas: enrollment, employment of faculty, and employment of professional non-faculty.

The staff recommends that the council accept the Committee on Equal Opportunities recommendation to grant Northern Kentucky Technical College a waiver of the requirements of KRS 164.020(18). (For details, see page 79 - included in the EEO status report.)

In order to improve student learning, the University of Kentucky proposes to create three teleconferencing classrooms with \$800,000 in federal and institutional funds. Capital projects in excess of \$400,000 have to be recommended by the council to the Finance and Administration Cabinet and the Capital Projects and Bond Oversight Committee.

The staff recommends that the council approve the University of Kentucky's request to renovate three classrooms to create smart teleconferencing classrooms with \$800,000 in federal and institutional money. (For details, see page 81.)

4. Are we preparing Kentuckians for life and work?
5. Are Kentucky's communities and economy benefiting?

With these questions, the council turns its attention to activities that are intended to have immediate effects upon the social and economic development of Kentucky. There are a number of items in this part of the agenda, two of which require council action.

Good progress is being made toward establishing joint engineering programs under the council's statewide engineering strategy. Joint programs are being planned in the following disciplines: mechanical engineering - WKU and UK; civil engineering - WKU and UK; electrical engineering - WKU and UofL; and electrical and telecommunications engineering - MuSU and UofL.

The participating universities are very close to agreeing on curricula for these programs, and new faculty have been hired. The first year of program operation will be funded through a combination of trust fund interest, institutional resources, and funds from the council's technology trust fund. In May of this year, the participating institutions assured the council that they would share the costs of these programs in the future. We are still negotiating the exact terms of this cost-sharing.

It is very important that the council recommend continued funding for these engineering programs in 2002-04 as part of the initiative to create a new economy in Kentucky. The Kentucky Innovation Act (House Bill 572) provided an organizational and financial framework for this effort: the Kentucky Innovation Commission, the Commissioner of the New Economy, the funding for capital and operational support of new economic ventures, and the funding for research and development and commercialization of intellectual property. The new engineering programs will provide another element: an increased supply of highly trained young people to work in the new industries of Kentucky and, indeed, to create some of them.

The Kentucky Innovation Act appropriated funds to the council for several purposes. The council contracted with the Kentucky Science and Technology Corporation to administer these funds. The KSTC has prepared criteria for applications received under three of four programs. The criteria for the regional technology corporations program will come to the council at its September meeting.

The staff recommends that the council approve the application criteria, the process for submission of an application, and the structure and type of outside expertise or peer review used in the application review process proposed by the Kentucky Science and Technology Corporation for awarding grants under three of the four programs administered by it on behalf of the council: Rural Innovation Program, Research and Development Voucher Program, and Commercialization Fund Program. (For details, see page 83.)

The council staff organized Governor Patton's trade mission to the Biotechnology Industry Organization International Tradeshow in San Diego in June (the largest such event in the life sciences industry), working closely with the University of Kentucky, the University of Louisville, Western Kentucky University, the Governor's Office for Agricultural Policy, the Office of the New Economy, Greater Louisville Inc., Lexington United, and the Kentucky Life Sciences Organization. UK Board Chair Billy Joe Miles, UK President Lee Todd, and UofL President John Shumaker accompanied Governor Patton, Council President Gordon Davies, Chief of Staff Andrew Martin, State Budget Director Jim Ramsey, Commissioner for the New Economy Bill Brundage, and John Mark-Hack who is the director of the Governor's Office of Agricultural Policy. The governor's group met with leading entrepreneurs, senior managers, scientists, and venture capitalists in the life science sector. Deans and faculty from UK, UofL, and WKU attended to promote Kentucky's life science research and industry to the world market.

Increasing the research capacity of the University of Kentucky and the University of Louisville is critical to creating a new economy in Kentucky. Both universities are working to increase their research productivity and are anticipating the need for additional research space. The 2000 General Assembly authorized 46,100 additional square feet of research space at UofL and 104,000 additional square feet of research space at UK, with funding split 60-40 between state appropriations and university resources. The subject of research space will come up again in 2002.

The 2002-04 capital recommendation of the council will be based on the Kentucky Space Needs Model. In order to evaluate the need for

research space at the two doctoral institutions more effectively, the council contracted with Dan Paulien, president of Paulien & Associates, Inc. to review the Kentucky Space Needs Model. Mr. Paulien recommends that the research space component for the doctoral institutions be based on non-institutional research and development dollars as reported in the National Science Foundation reports. The council's finance committee discussed the research space guidelines at its May meeting.

The staff recommends that the council approve the revised space planning guidelines for the research component of the Kentucky Space Needs Model and that the council use the revised Kentucky Space Needs Model to evaluate the need for new or renovated space at the public universities and colleges. (For details, see page 85.)

The Kentucky Postsecondary Education Improvement Act of 1997 (House Bill 1) created a Research Challenge Trust Fund and a Regional University Excellence Trust Fund. The staff has reviewed the institutions' use of these trust funds, as directed by the council.

The Research Challenge Trust Fund programs are areas of excellence identified by the University of Kentucky and the University of Louisville. The Regional University Excellence Trust Fund programs are the "programs of distinction" at each institution. The staff determined that all institutions are progressing satisfactorily toward the goals outlined in the proposals originally approved by the council. (For details, see page 95).

Having reviewed the programs of distinction and the research challenge programs twice in 1999 and again in 2001, the staff suggests to

the council that it may be time to adopt a review procedure that involves having the institutions submit biennial progress reports. The staff would make site visits when the reports appear to warrant them or as directed by the council.

These last items report on two institutional initiatives -one involving Western Kentucky University and the local Bowling Green community and one involving several campuses (both public and independent) in response to statewide needs.

First, Western Kentucky University plans to donate Academic Athletic #1 (Diddle Arena) and other athletic property to the City of Bowling Green for the purpose of securing financing to renovate the facility. The council staff and WKU representatives participated in a series of discussions with staff from the Finance and Administration Cabinet, the Legislative Research Commission, the Capital Projects and Bond Oversight Committee, and the Office of the Attorney General. There is general support for Western's creative idea to finance the renovation. The Capital Projects and Bond Oversight Committee is scheduled to review the proposal August 21. (For details, see page 99).

Second, the chief academic officers met with Viola Miller, secretary of the Cabinet for Families and Children, and Margaret Pennington, commissioner of Mental Health and Retardation Services, to find ways the institutions could better meet the need for more trained social workers and mental health professionals. The University of Kentucky is working with the Cabinet for Families and Children, Western Kentucky University, and Murray State University to start a fast-track program for students pursuing social work degrees. This

program, in combination with the University of Louisville's efforts with Brescia University in Owensboro, will help meet the immediate needs in this area. WKU and MuSU are also exploring a joint master's in social work program. The institutions also are assessing the need to prepare other mental health professionals. They will work with Commissioner Pennington to coordinate program recruitment with workforce demands.

Cross-Cutting Issues

Some issues cut across all five questions. The performance indicators that are a substantial portion of the evaluation system, for instance, track progress on a number of indicators related to each of the questions. Many financial issues, although not all, cover all the questions. Because the council is required to submit a comprehensive budget recommendation, it makes sense to consider financial issues as a cross-cutting package - who pays, for what, and who benefits?

The staff is working with the institutions and other key groups (the Kentucky Innovation Commission, for instance, on research volume goals) to collect data and set goals on several key indicators under questions 4 and 5. The enrollment, retention, and graduation goals considered by the council in an earlier agenda item are among the indicators under questions 2 and 3. This entire package will be finished by early winter. An update of progress on creating the performance indicators and setting goals begins on page 101.

The budget issues before the council at this time for discussion are a plan to reduce the 2001-02 agency budget and creation of the 2002-04 biennial budget. Governor Patton and James Ramsey, state

budget director, announced a projected \$326 million budget shortfall for fiscal year 2002 Thursday, July 12. At this time, they have exempted postsecondary education from any budget reductions, excluding the council. All agencies not exempted may experience an average 3.27 percent budget reduction. The council staff will provide an update on the budget reductions at the council meeting.

The council is required to submit the 2002-04 operating and capital budget recommendations for the institutions, the trust funds, and the KYVU/KYVL to the Governor's Office for Policy and Management by November 15, 2001. The framework for the operating and the capital budget recommendations and the trust funds is defined in the Points of Consensus document prepared at the request of SCOPE and endorsed by the council February 5, 2001. The staff has completed work with the institutions on revising the benchmark lists and also has begun discussions of benchmark funding issues, trust funds, and the capital recommendation with the chief budget officers of the institutions. The benchmark funding model is being revised to reflect the agreed upon changes included in the Points of Consensus. The changes include revising the benchmark institutions, excluding state funding for debt service and some mandated programs, and setting a standard tuition and fees revenue deduction to determine the 2002-04 state appropriation objective. The council also needs to discuss the measure of central tendency to be used to determine the 2002-04 funding objectives. Materials for consideration and discussion begin on pages 105 (trust funds), 111 (capital recommendation), and 113 (operating recommendation).

Council Business

At its June retreat at Shaker Village, the council decided to conduct its business during the coming year without standing committees for finance and academic affairs. It decided instead to create a small number of working groups (assessing quality, reviewing the total flow of revenue within Kentucky's postsecondary education system, and considering the guidelines for the endowment match program, as of this writing). These groups, along with the P-16 Council, the Committee on Equal Opportunities, and the council's executive committee, will advise the full council on the issues with which it will deal.

These operational changes appear to warrant changes to the council's bylaws. The staff has consulted with Chair Charles Whitehead on these changes.

The staff recommends that the council adopt the revised bylaws. (For details, see page 131.)

At its May meeting, the council directed staff to prepare a resolution commending Mary Beth Susman, founding CEO of the Kentucky Virtual University, for her service. A resolution for consideration is on page 147.

At its June meeting, the council directed staff to prepare a resolution commending Lois Combs Weinberg for her service as vice chair of the council. A draft for consideration is on page 149.

A draft resolution in memory of Philip I. Huddleston is on page 151.